

Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

DEWITT INVESTMENTS, INC.; and
JARED WILLIAM DEWITT;

Respondents.

STIPULATION AND CONSENT
ORDER

Docket No. SD-06-0062
Docket No. SD-06-0063

The Utah Division of Securities (Division), by and through its Director of Enforcement, Michael Hines, and DeWitt Investments Inc. and Jared William DeWitt (Respondents) hereby stipulate and agree as follows:

1. Respondents were the subject of an investigation conducted by the Division into allegations that they violated certain provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, et seq, as amended.
2. Respondents and the Division have agreed to settle this matter by way of this Stipulation and Consent Order (Consent Order).
3. Respondents have had the opportunity to seek legal counsel and have elected to represent themselves.

4. Respondents admit the jurisdiction of the Division over Respondents and over the subject matter of this action.
5. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on Respondents' behalf.

THE DIVISION'S INVESTIGATIVE FINDINGS

From July 22, 2006 to the present, the Division has been conducting an investigation of Respondents which has revealed the following:

6. DeWitt Investments, Inc. (DeWitt Investments) was registered as a Utah corporation on June 13, 2006, and its corporate status is currently "active." DeWitt Investments' business address is 4625 W. 9900 N., Cedar Hills, Utah, and Jared William DeWitt and Tina Marie DeWitt are its only officers/directors.
7. Jared William DeWitt (DeWitt) resides in Utah County, Utah.
8. On June 21, 2006, the Division was informed that DeWitt was placing fliers on the front doors of residents in Cedar Hills, Utah, which advertised an investment opportunity.
9. The flier stated: "If your savings and investments are not yielding 21% interest annually, you may want to give me a call. By investing with *DeWitt Investments*, your money would immediately begin earning a guaranteed 21% interest annually, with interest checks paid monthly."
10. The flier also stated that investor money is pooled, principal and interest are guaranteed with a promissory note, and investors may withdraw some or all of their investment at any time by giving 30-days notice.

11. In the flier, DeWitt provided his phone number and recommend that interested individuals contact him to discuss the investment process.
12. On June 21, 2006, an undercover Division investigator called DeWitt and set up an appointment to meet at DeWitt's home and discuss the investment opportunity.
13. On June 22, 2006, the undercover investigator met with DeWitt and recorded the conversation.
14. DeWitt told the undercover investigator the following:
 - a. DeWitt planned to invest investor money in property flipping;
 - b. DeWitt was not doing the property flipping himself; he was raising money to give to other companies who would flip the property, and provide DeWitt with a return, and then DeWitt provides his investors with a return;
 - c. DeWitt had already established relationships with these companies;
 - d. DeWitt had been in this business for a couple of months;
 - e. DeWitt had nine investors, and had been paying them monthly interest payments;
 - f. Based on SEC regulations DeWitt could have no more than 34 investors, or he would have to become licensed to sell securities;
 - g. Interest to DeWitt's investors would be 1.75% guaranteed per month;
 - h. The promissory notes are collateralized;
 - i. The investor does nothing but provide money;
 - j. DeWitt taped several hundred fliers on doors;
 - k. DeWitt himself had invested with these companies;

- l. DeWitt does not provide investors with a prospectus because he prefers to meet with people in person and explain the investment;
 - m. The only risk to investors is that DeWitt may not be able to use investor money a given month, but DeWitt would give the money back and the investor could invest the next month; and
 - n. DeWitt would not reveal exactly how much he would make in commissions, but said he would take a small percentage.
15. On June 22, 2006, after the undercover investigator had visited with DeWitt, the Division's Director of Enforcement, Michael Hines, called DeWitt, identified himself, and questioned him about the investment opportunity. DeWitt told Hines a different story, saying he had no investors and the investment was not collateralized. Hines then revealed that the potential investor DeWitt met with that morning was an undercover investigator from the Division.
16. DeWitt admitted to Hines that he lied to the undercover investigator about the number of investors and lied when he said the investment was collateralized.

Misrepresentations and Omissions

17. In connection with the offer of a security, DeWitt Investments and DeWitt, directly or indirectly, made false statements, including, but not limited to, the following:
- a. That investors would receive collateralized promissory notes, when, in fact, this was not true;
 - b. That DeWitt already had nine investors and was paying them monthly interest, when, in fact, this was not true; and

- c. That as long as DeWitt had fewer than 34 investors, he did not have to be licensed to sell securities, when, in fact, this is not true.
- 18. In connection with the offer of a security, DeWitt Investments and DeWitt, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make the representations made not misleading:
 - a. That the investment opportunity involved the sale of securities that should have been registered;
 - b. That DeWitt should have been licensed to sell the securities; and
 - c. Accurate information about the companies doing the property flipping.

THE DIVISION'S CONCLUSIONS

- 19. Based on the Division's investigative findings, the Division concludes that:
 - a. The investment opportunity offered by DeWitt Investments and DeWitt is a security under § 61-1-13 of the Act;
 - b. DeWitt Investment and DeWitt willfully violated § 61-1-1 of the Act by making misrepresentations of material fact and omitting to state material facts in connection with the offer of a security;
 - c. DeWitt willfully violated § 61-1-3 of the Act by transacting business in this state as an unlicensed agent; and
 - d. DeWitt Investments and DeWitt willfully violated § 61-1-7 of the Act by offering securities for sale in Utah that were not registered under the Act, and for which

Respondents had not filed any claim of exemption relating to the investment opportunity.

20. DeWitt Investments and DeWitt admit the substance of the Division's investigative conclusions and consent to the Division entering an Order:
 - a. Requiring DeWitt Investments and DeWitt to cease and desist from engaging in any further conduct in violation of the Utah Securities Act; and
 - b. Requiring DeWitt Investments, Inc. and Jared William DeWitt pay a fine of twenty five thousand dollars (\$25,000), jointly and severally, to the Division by Thursday, August 31, 2006. The Division has agreed to waive twenty four thousand dollars (\$24,000) of the fine based on Respondents' cooperation with the investigation and their willingness to accepted responsibility and admit to wrongdoing.
21. DeWitt Investment and DeWitt acknowledge that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. DeWitt Investment and DeWitt further acknowledge that if the Division Director does not accept the terms of the Consent Order, it shall be deemed null and void and without any force or effect whatsoever.
22. DeWitt Investment and DeWitt acknowledge that the Consent Order does not affect any civil or arbitration causes of action that third parties may have against DeWitt Investment and DeWitt arising in whole or in part from DeWitt Investment and DeWitt actions, and that the Consent Order does not affect any criminal cause of action that a prosecutor might bring.

23. This Consent Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Consent Order in any way.
24. Violation of this Consent Order is a third degree felony pursuant to § 61-1-21(1) of the Act.
25. DeWitt Investment and DeWitt have read this Consent Order, understand its contents, and enter into this Consent Order voluntarily. No promises or threats have been made by the Division, nor by any employee, agent, or representative of the Division other than as contained herein, to induce DeWitt Investment and DeWitt to enter into this Consent Order.

Utah Division of Securities

Date: 9/30/06
By: [Signature]
Michael Hines
Director of Enforcement

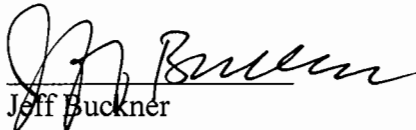
Respondent DeWitt Investments, Inc.

Date: 8/29/06
By: [Signature]
Jared William DeWitt
Director

Respondent DeWitt

Date: 8/29/06
By: [Signature]
Jared Williams DeWitt

Approved:

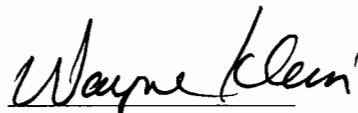

Jeff Buckner
Assistant Attorney General

ORDER

Pursuant to the terms of the Stipulation and Consent Order defined above, the Director of the Utah Division of Securities hereby orders that:

1. DeWitt Investments, Inc. and Jared William DeWitt CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act; and
2. DeWitt Investments, Inc. and Jared William DeWitt pay a fine of twenty five thousand dollars (\$25,000), jointly and severally, to the Division, twenty four thousand dollars (\$24,000) of which is waived based on Respondents' cooperation with the investigation and their willingness to accepted responsibility and admit to wrongdoing. The remaining fine of one thousand dollars (\$1,000) is due by Thursday, August 31, 2006.

DATED this 6th day of ~~August~~ ^{September}, 2006.


WAYNE KLEIN
Director, Utah Division of Securities



Certificate of Mailing

I certify that on the 7TH day of ~~August~~ ^{SEPTEMBER}, 2006, I mailed a true and correct copy of the

Stipulation and Consent Order to:

Jared William DeWitt
DeWitt Investments, Inc.
4625 W. 9900 N.
Cedar Hills, UT 84062

Pamela Radzinski
Executive Secretary